

The Peoples Gas Light and Coke Company
Adjustment to Cash Working Capital
For the Test Year Ending December 31, 2010
(In Thousands)

Line No. (A)	Item (B)	Amount (C)	Lag (Lead) (D)	CWC Factor (D) / 365 (E)	CWC Requirement (C) x (E) (F)	Column (C) Source (G)
1	Revenues	\$ 1,042,040	50.22	0.13759	\$ 143,373	ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 2 of 3, Column C, Line 6
2	Pass Through Taxes	223,445	0.00	0.00000	-	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 20
3	Payroll and Withholdings	52,970	(14.18)	(0.03885)	(2,058)	ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 3 of 3, Column C, Line 4
4	Inter Company Billings	143,517	(36.02)	(0.09868)	(14,163)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 24
5	Natural Gas	687,268	(40.51)	(0.11099)	(76,277)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 25
6	Other Operations and Maintenance	73,818	(46.30)	(0.12685)	(9,364)	ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 2 of 3, Column C, Line 15
7	Federal Insurance Contributions (FICA)	5,323	(16.04)	(0.04395)	(234)	ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 3 of 3, Column C, Line 8
8	Federal Unemployment Tax	103	(76.38)	(0.20926)	(22)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 29
9	State Unemployment Tax	142	(76.38)	(0.20926)	(30)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 30
10	Property/Real Estate Taxes	1,143	(385.13)	(1.05515)	(1,206)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 31
11	Invested Capital Tax	9,951	(30.13)	(0.08255)	(821)	ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 3 of 3, Column C, Line 11
12	Corporation Franchise Tax	300	(182.27)	(0.49937)	(150)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 33
13	Illinois Sales and Use Tax	26	(42.98)	(0.11775)	(3)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 34
14	Federal Excise Tax	25	(76.32)	(0.20910)	(5)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 35
15	ICC Gas Revenue Tax	1,630	31.27	0.08567	140	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 15
16	Gross Receipts/Municipal Utility Tax	135,685	(50.30)	(0.13781)	(18,699)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 16
17	Energy Assistance Charges	8,704	(42.98)	(0.11775)	(1,025)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 17
18	Gas Revenue/Public Utility tax	41,431	(9.26)	(0.02537)	(1,051)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 18
19	City of Chicago Gas Use tax	35,995	(50.32)	(0.13786)	(4,962)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 19
20	Interest Expense	27,048	(79.17)	(0.21690)	(5,867)	ICC Staff Ex. 15.0, Sch. 15.5 P Corrected, Column B, Line 3
21	Federal Income Tax	35,544	(37.88)	(0.10378)	(3,689)	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 21
22	State Income Tax	6,532	(37.88)	(0.10378)	(678)	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 20
23	TOTAL				<u>\$ 3,209</u>	Sum of Lines 1 through 22
24	Cash Working Capital per Staff		\$ 3,209			ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page 1 of 3, Column F, Line 19
25	Cash Working Capital per Company		<u>34,325</u>			NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 36
26	Difference -- Staff Adjustment		<u>\$ (31,116)</u>			ICC Staff Ex. 17.0, Sch. 17.1 P Corrected, Page, 1 of 3, Column D, Line 20 minus

Note: Lag (Lead) is from NS-PGL Ex. JH-2.6P, Cash Working Capital, Column B

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Line No.	Description	Amount	Source
(A)	(B)	(C)	(D)
1	Total Operating Revenues	\$ 515,586	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 5
2	PGA Revenue	687,268	Peoples Gas WP Ex. CG-2.3P Revised, Page 1 of 4
3	Uncollectible Accounts	(28,852)	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 6
4	Depreciation & Amortization	(81,361)	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 14
5	Return on Equity	(50,601)	Line 9 below
6	Total Revenues for CWC calculation	<u>\$ 1,042,040</u>	Sum of Lines 1 through 5
7	Total Return on Rate Base	\$ 90,359	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 24
8	Percentage Equity	<u>56.00%</u>	ICC Staff Ex. 22.0, Schedule 22.01
9	Return on Equity	<u>\$ 50,601</u>	Line 7 x Line 8
10	O & M Expenses	\$ 388,210	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 19
11	Payroll and Withholdings	(60,662)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 23
12	Inter Company Billings	(143,517)	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 24
13	Uncollectible Accounts	(28,852)	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 6
14	Depreciation & Amortization	<u>(81,361)</u>	ICC Staff Ex. 15.0, Sch. 15.1 P Corrected, Column I, Line 14
15	Other Operations & Maintenance	<u>\$ 73,818</u>	Sum of Lines 10 through 14

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Line No. (A)	Description (B)	Amount (C)	Source (D)
1	Payroll and Withholdings per Company Filing	\$ 60,662	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 23
2	Incentive Compensation Adjustment	(5,802)	ICC Staff Ex. 15.0, Schedule 15.7 P, Page 1 of 5, Column B, Line 17
3	Non-Union Wages Adjustment	<u>(1,890)</u>	ICC Staff Ex. 15.0, Schedule 15.8 P, Page 1 of 2, Column F, Line 8
4	Payroll and Withholdings per Staff	<u>\$ 52,970</u>	Sum of Lines 1 through 3
5	FICA Tax per Company Filing	\$ 6,132	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 28
6	Incentive Compensation Adjustment	(664)	ICC Staff Ex. 15.0, Schedule 15.7 P, Page 1 of 5, Column B, Line 25
7	Non-Union Wages Adjustment	<u>(145)</u>	ICC Staff Ex. 15.0, Schedule 15.8 P, Page 1 of 2, Column F, Line 9
8	FICA Tax per Staff	<u>\$ 5,323</u>	Sum of Lines 5 through 7
9	Invested Capital Tax per Company Filing	\$ 10,274	NS-PGL Ex. JH-2.6P, Cash Working Capital, Column I, Line 32
10	Invested Capital Tax Adjustment	<u>(323)</u>	ICC Staff Ex. 15.0, Schedule 15.9 P Corrected, Column B, Line 9
11	Invested Capital Tax per Staff	<u>\$ 9,951</u>	Sum of Lines 9 and 10